

# **Senate pow-wow draws focus to 'clean energy' agenda**

## **Energy and Environment Daily**

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Senior energy policy staff members in the Senate underscored the importance of the "clean energy" debate yesterday when they held a closed-door session with officials from Wall Street, the Bush administration and industry to go over the issues and challenges they are likely to face next year.

The nearly four-hour roundtable discussion was the latest in a series of meetings on energy and environmental issues hosted by the staffs of the Environment and Public Works and Energy and Natural Resources committees. Yesterday's session encouraged many renewable energy industry insiders who saw the effort as confirmation of the importance of their industries to U.S. energy policy.

Yet others noted that finding a consensus on clean energy policy, particularly so soon after lawmakers passed the Energy Policy Act of 2005, could prove difficult particularly as demands for longer extensions of the renewable energy production tax credit are likely to run into lawmakers' efforts to cut the deficit.

Even so, the incoming Democratic congressional majority has announced its intent to make energy independence one of its major priorities for next year, industry officials are hopeful that yesterday's meeting might help set the tone for the coming debate.

Frank Maisano, an energy industry spokesman, characterized the discussion as a "thoughtful and common-sense" approach to starting a debate on tax and regulatory policy as a driver for certainty in the clean energy business. It is clear, he added, that "if you are going to be involved in energy policy, you need to use a collaborative approach."

Rhone Resch, president of the Solar Energy Industries Association, said clean energy will be the largest growth sector of the energy industry over the next 10 years.

"It's not a bubble, it's not a dot-com," he said. "It's a fundamental shift."

Primary among the topics of discussion, attendees said, was the need for longer extensions of the renewable energy production tax credit. The credit, initially established only for windpower projects, was extended last year to many other renewable energy sources.

Others who were in the room for portions of the discussion said participants discussed carbon caps, renewable portfolio standards and the effects of alternative energy programs on the Clean Air Act. No specifics were outlined for any of these matters, these sources said.

Yet some of those interviewed acknowledged that incoming Senate Energy and Natural Resources Committee Chairman Jeff Bingaman (D-N.M.) is a \Sachs; Nancy Floyd, managing director of Nth Power; and Steve Taub, senior vice president for strategic marketing and renewables at GE Energy Financial Services.

Karl Gawell, of the Geothermal Energy Association, said there is "a lot of anxiety in the investment community" about the future of the production tax credits. Last year's energy bill extended the tax credit, but it expires at the end of 2007. That has led many in the industry to complain that they cannot depend on two-year policy windows to make the kinds of investment decisions the economy requires.

The tax credit issue has also grabbed the attention of some members of Congress. Speaking yesterday at an event hosted by Duke University's Nicholas Institute for Environmental Policy Solutions, Sen. John McCain (R-Ariz.) described several items he says would help combat global warming, and cited permanent research and development tax credits.

"Why don't we for once be honest and just make it permanent rather than hold up the corporate executives every two years and say 'Oh, we're not going to be able to renew the R&D tax credit, unless you contribute.'?So it might be nicer."

After pausing for dramatic effect, McCain added amid laughter, "We get to know each other a lot better."

A "Main Street" panel of clean energy project developers featured Chris O'Brien, vice president of Sharp solar; Sam Enfield, director of development for the Mid-Atlantic Region for PPM Atlantic Renewable; Kent Burton, senior vice president of National Environmental Strategies; Steve Wilson, director of research and technology management at Southern Co.; and Laurel Heacock, manager of licensing and regulatory compliance for the Grant County (Washington) Public Utility District.

Maisano noted that the panel gave a broad definition to "clean energy," as the Grant County PUD is involved in hydropower and Southern Co.'s representative focused on the Integrated Gasification Combined Cycle plant project.

Also on the agenda were representatives of the federal government: Andy Karsner, assistant Energy secretary for renewable energy; Robert Rainey of the White House; Bill Wehrum, acting U.S. EPA assistant administrator; and Mark Robinson of the Federal Energy Regulatory Commission.

Senior reporter Darren Samuelsohn contributed.